In the Senate of the United States,

December 8, 2010.

Resolved, That the bill from the House of Representatives (H.R. 4994) entitled "An Act to amend the Internal Revenue Code of 1986 to reduce taxpayer burdens and enhance taxpayer protections, and for other purposes.", do pass with the following

AMENDMENTS:

Strike all after the enacting clause and insert the following:

- 1 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.
- 2 (a) Short Title.—This Act may be cited as the
- 3 "Medicare and Medicaid Extenders Act of 2010".
- 4 (b) Table of Contents of this
- 5 Act is as follows:
 - Sec. 1. Short title; table of contents.

TITLE I—EXTENSIONS

- Sec. 101. Physician payment update.
- Sec. 102. Extension of MMA section 508 reclassifications.
- Sec. 103. Extension of Medicare work geographic adjustment floor.
- Sec. 104. Extension of exceptions process for Medicare therapy caps.
- Sec. 105. Extension of payment for technical component of certain physician pathology services.

- Sec. 106. Extension of ambulance add-ons.
- Sec. 107. Extension of physician fee schedule mental health add-on payment.
- Sec. 108. Extension of outpatient hold harmless provision.
- Sec. 109. Extension of Medicare reasonable costs payments for certain clinical diagnostic laboratory tests furnished to hospital patients in certain rural areas.
- Sec. 110. Extension of the qualifying individual (QI) program.
- Sec. 111. Extension of Transitional Medical Assistance (TMA).
- Sec. 112. Special diabetes programs.

TITLE II—OTHER PROVISIONS

- Sec. 201. Clarification of effective date of part B special enrollment period for disabled TRICARE beneficiaries.
- Sec. 202. Repeal of delay of RUG-IV.
- Sec. 203. Clarification for affiliated hospitals for distribution of additional residency positions.
- Sec. 204. Continued inclusion of orphan drugs in definition of covered outpatient drugs with respect to children's hospitals under the 340B drug discount program.
- Sec. 205. Medicaid and CHIP technical corrections.
- Sec. 206. Funding for claims reprocessing.
- Sec. 207. Revision to the Medicare Improvement Fund.
- Sec. 208. Limitations on aggregate amount recovered on reconciliation of the health insurance tax credit and the advance of that credit.
- Sec. 209. Determination of budgetary effects.

TITLE I—EXTENSIONS

2 SEC. 101. PHYSICIAN PAYMENT UPDATE.

- 3 Section 1848(d) of the Social Security Act (42 U.S.C.
- 4 1395w-4(d)) is amended by adding at the end the following
- 5 new paragraph:

1

- 6 "(12) UPDATE FOR 2011.—
- 7 "(A) In General.—Subject to paragraphs
- 8 (7)(B), (8)(B), (9)(B), (10)(B), and (11)(B), in
- 9 lieu of the update to the single conversion factor
- 10 established in paragraph (1)(C) that would oth-
- 11 erwise apply for 2011, the update to the single
- 12 conversion factor shall be 0 percent.

1	"(B) No effect on computation of con-
2	VERSION FACTOR FOR 2012 AND SUBSEQUENT
3	YEARS.—The conversion factor under this sub-
4	section shall be computed under paragraph
5	(1)(A) for 2012 and subsequent years as if sub-
6	paragraph (A) had never applied.".
7	SEC. 102. EXTENSION OF MMA SECTION 508 RECLASSIFICA-
8	TIONS.
9	(a) Extension.—
10	(1) In general.—Section 106(a) of division B
11	of the Tax Relief and Health Care Act of 2006 (42
12	U.S.C. 1395 note), as amended by section 117 of the
13	Medicare, Medicaid, and SCHIP Extension Act of
14	2007 (Public Law 110–173), section 124 of the Medi-
15	care Improvements for Patients and Providers Act of
16	2008 (Public Law 110–275), and sections 3137(a)
17	and 10317 of the Patient Protection and Affordable
18	Care Act (Public Law 111–148), is amended by strik-
19	ing "September 30, 2010" and inserting "September
20	30, 2011".
21	(2) Special rule for fiscal year 2011.—
22	(A) In general.—Subject to subparagraph
23	(B), for purposes of implementation of the
24	amendment made by paragraph (1), including
25	(notwithstanding paragraph (3) of section

Extension Act of 2007 (Public Law 110–173), as amended by section 124(b) of the Medicare Improvements for Patients and Providers Act of 2008 (Public Law 110–275)) for purposes of the implementation of paragraph (2) of such section 117(a), during fiscal year 2011, the Secretary of Health and Human Services shall use the hospital wage index that was promulgated by the Secretary of Health and Human Services in the Federal Register on August 16, 2010 (75 Fed. Reg. 50042), and any subsequent corrections.

(B) Exception.—Beginning on April 1, 2011, in determining the wage index applicable to hospitals that qualify for wage index reclassification, the Secretary shall include the average hourly wage data of hospitals whose reclassification was extended pursuant to the amendment made by paragraph (1) only if including such data results in a higher applicable reclassified wage index. Any revision to hospital wage indexes made as a result of this subparagraph shall not be effected in a budget neutral manner.

(3) Adjustment for certain hospitals in fiscal year 2011.—

1	(A) In general.—In the case of a sub-
2	section (d) hospital (as defined in subsection
3	(d)(1)(B) of section 1886 of the Social Security
4	Act (42 U.S.C. 1395ww)) with respect to
5	which—
6	(i) a reclassification of its wage index
7	for purposes of such section was extended
8	pursuant to the amendment made by para-
9	graph (1); and
10	(ii) the wage index applicable for such
11	hospital for the period beginning on October
12	1, 2010, and ending on March 31, 2011,
13	was lower than for the period beginning on
14	April 1, 2011, and ending on September 30,
15	2011, by reason of the application of para-
16	$graph\ (2)(B);$
17	the Secretary shall pay such hospital an addi-
18	tional payment that reflects the difference be-
19	tween the wage index for such periods.
20	(B) Timeframe for payments.—The Sec-
21	retary shall make payments required under sub-
22	paragraph (A) by not later than December 31,
23	2011.
24	(b) Conforming Amendment.—Section 117(a)(3) of
25	the Medicare. Medicaid, and SCHIP Extension Act of 2007

- 1 (Public Law 110–173) is amended by inserting "in fiscal
- 2 years 2008 and 2009" after "For purposes of implementa-
- 3 tion of this subsection".
- 4 SEC. 103. EXTENSION OF MEDICARE WORK GEOGRAPHIC
- 5 ADJUSTMENT FLOOR.
- 6 Section 1848(e)(1)(E) of the Social Security Act (42)
- 7 U.S.C. 1395w-4(e)(1)(E)) is amended by striking 'before
- 8 January 1, 2011" and inserting "before January 1, 2012".
- 9 SEC. 104. EXTENSION OF EXCEPTIONS PROCESS FOR MEDI-
- 10 CARE THERAPY CAPS.
- 11 Section 1833(g)(5) of the Social Security Act (42)
- 12 U.S.C. 1395l(g)(5)) is amended by striking "and ending
- 13 on" and all that follows through "2010" and inserting "and
- 14 ending on December 31, 2011".
- 15 SEC. 105. EXTENSION OF PAYMENT FOR TECHNICAL COM-
- 16 PONENT OF CERTAIN PHYSICIAN PATHOLOGY
- 17 SERVICES.
- 18 Section 542(c) of the Medicare, Medicaid, and SCHIP
- 19 Benefits Improvement and Protection Act of 2000 (as en-
- 20 acted into law by section 1(a)(6) of Public Law 106-554),
- 21 as amended by section 732 of the Medicare Prescription
- 22 Drug, Improvement, and Modernization Act of 2003 (42)
- 23 U.S.C. 1395w-4 note), section 104 of division B of the Tax
- 24 Relief and Health Care Act of 2006 (42 U.S.C. 1395w-4
- 25 note), section 104 of the Medicare, Medicaid, and SCHIP

- 1 Extension Act of 2007 (Public Law 110–173), section 136
- 2 of the Medicare Improvements for Patients and Providers
- 3 Act of 2008 (Public Law 110–275), and section 3104 of the
- 4 Patient Protection and Affordable Care Act (Public Law
- 5 111–148) is amended by striking "and 2010" and inserting
- 6 "2010, and 2011".

7 SEC. 106. EXTENSION OF AMBULANCE ADD-ONS.

- 8 (a) Ground Ambulance.—Section 1834(l)(13)(A) of
- 9 the Social Security Act (42 U.S.C. 1395m(l)(13)(A)) is
- 10 amended—
- 11 (1) in the matter preceding clause (i), by strik-
- ing "2011" and inserting "2012,"; and
- 13 (2) in each of clauses (i) and (ii), by striking
- 14 "January 1, 2011" and inserting "January 1, 2012"
- 15 each place it appears.
- 16 (b) AIR AMBULANCE.—Section 146(b)(1) of the Medi-
- 17 care Improvements for Patients and Providers Act of 2008
- 18 (Public Law 110–275), as amended by sections 3105(b) and
- 19 10311(b) of Public Law 111-148, is amended by striking
- 20 "December 31, 2010" and inserting "December 31, 2011".
- 21 (c) Super Rural Ambulance.—Section
- 22 1834(l)(12)(A) of the Social Security Act (42 U.S.C.
- 23 1395m(l)(12)(A)) is amended by striking "2011" and in-
- 24 serting "2012".

1	SEC. 107. EXTENSION OF PHYSICIAN FEE SCHEDULE MEN-
2	TAL HEALTH ADD-ON PAYMENT.
3	Section 138(a)(1) of the Medicare Improvements for
4	Patients and Providers Act of 2008 (Public Law 110–275),
5	as amended by section 3107 of the Patient Protection and
6	Affordable Care Act (Public Law 111–148), is amended by
7	striking "December 31, 2010" and inserting "December 31,
8	2011".
9	SEC. 108. EXTENSION OF OUTPATIENT HOLD HARMLESS
10	PROVISION.
11	Section $1833(t)(7)(D)(i)$ of the Social Security Act (42)
12	$U.S.C.\ 1395l(t)(7)(D)(i)), \ as \ amended \ by \ section \ 3121(a)$
13	of the Patient Protection and Affordable Care Act (Public
14	Law 111–148), is amended—
15	(1) in subclause (II)—
16	(A) in the first sentence, by striking
17	"2011" and inserting "2012"; and
18	(B) in the second sentence, by striking "or
19	2010" and inserting "2010, or 2011"; and
20	(2) in subclause (III), by striking "January 1,
21	2011" and inserting "January 1, 2012".

1	SEC. 109. EXTENSION OF MEDICARE REASONABLE COSTS
2	PAYMENTS FOR CERTAIN CLINICAL DIAG-
3	NOSTIC LABORATORY TESTS FURNISHED TO
4	HOSPITAL PATIENTS IN CERTAIN RURAL
5	AREAS.
6	Section 416(b) of the Medicare Prescription Drug, Im-
7	provement, and Modernization Act of 2003 (42 U.S.C.
8	1395l-4), as amended by section 105 of division B of the
9	Tax Relief and Health Care Act of 2006 (42 U.S.C. 1395l
10	note), section 107 of the Medicare, Medicaid, and SCHIP
11	Extension Act of 2007 (42 U.S.C. 1395l note), and section
12	3122 of the Patient Protection and Affordable Care Act
13	(Public Law 111–148), is amended by striking "the 1-year
14	period beginning on July 1, 2010" and inserting "the 2-
15	year period beginning on July 1, 2010".
16	SEC. 110. EXTENSION OF THE QUALIFYING INDIVIDUAL (QI)
17	PROGRAM.
18	(a) Extension.—Section $1902(a)(10)(E)(iv)$ of the
19	Social Security Act (42 U.S.C. $1396a(a)(10)(E)(iv)$) is
20	amended by striking "December 2010" and inserting "De-
21	cember 2011".
22	(b) Extending Total Amount Available for Al-
23	LOCATION.—Section 1933(g) of such Act (42 U.S.C. 1396u-
24	3(g)) is amended—
25	(1) in paragraph (2)—

1	(A) by striking "and" at the end of sub-
2	paragraph (M);
3	(B) in subparagraph (N), by striking the
4	period at the end and inserting a semicolon; and
5	(C) by adding at the end the following new
6	subparagraphs:
7	"(O) for the period that begins on January
8	1, 2011, and ends on September 30, 2011, the
9	total allocation amount is \$720,000,000; and
10	"(P) for the period that begins on October
11	1, 2011, and ends on December 31, 2011, the
12	total allocation amount is \$280,000,000."; and
13	(2) in paragraph (3), in the matter preceding
14	subparagraph (A), by striking "or (N)" and inserting
15	"(N), or (P)".
16	SEC. 111. EXTENSION OF TRANSITIONAL MEDICAL ASSIST-
17	ANCE (TMA).
18	Sections 1902(e)(1)(B) and 1925(f) of the Social Secu-
19	rity Act (42 U.S.C. 1396a(e)(1)(B), 1396r-6(f)) are each
20	amended by striking "December 31, 2010" and inserting
21	"December 31, 2011".
22	SEC. 112. SPECIAL DIABETES PROGRAMS.
23	(1) Special diabetes programs for type i
24	DIARETES — Section $330R(h)(9)(C)$ of the Public

1	Health Service Act (42 U.S.C. $254c-2(b)(2)(C)$) is
2	amended by striking "2011" and inserting "2013".
3	(2) Special diabetes programs for indi-
4	ANS.—Section $330C(c)(2)(C)$ of the Public Health
5	Service Act (42 U.S.C. $254c-3(c)(2)(C)$) is amended
6	by striking "2011" and inserting "2013".
7	TITLE II—OTHER PROVISIONS
8	SEC. 201. CLARIFICATION OF EFFECTIVE DATE OF PART B
9	SPECIAL ENROLLMENT PERIOD FOR DIS-
10	ABLED TRICARE BENEFICIARIES.
11	Effective as if included in the enactment of Public Law
12	111–148, section 3110(a)(2) of such Act is amended to read
13	as follows:
14	"(2) Effective date.—The amendment made
15	by paragraph (1) shall apply to elections made on
16	and after the date of the enactment of this Act.".
17	SEC. 202. REPEAL OF DELAY OF RUG-IV.
18	Effective as if included in the enactment of Public Law
19	111–148, section 10325 of such Act is repealed.
20	SEC. 203. CLARIFICATION FOR AFFILIATED HOSPITALS FOR
21	DISTRIBUTION OF ADDITIONAL RESIDENCY
22	POSITIONS.
23	Effective as if included in the enactment of section
24	5503(a) of Public Law 111–148, section 1886(h)(8) of the
25	Social Security Act (42 U.S.C. 1395ww(h)(8)), as added

1 by such section 5503(a), is amended by adding at the end
2 the following new subparagraph:

"(I) AFFILIATION.—The provisions of this paragraph shall be applied to hospitals which are members of the same affiliated group (as defined by the Secretary under paragraph (4)(H)(ii)) and the reference resident level for each such hospital shall be the reference resident level with respect to the cost reporting period that results in the smallest difference between the reference resident level and the otherwise applicable resident limit."

13 SEC. 204. CONTINUED INCLUSION OF ORPHAN DRUGS IN
14 DEFINITION OF COVERED OUTPATIENT
15 DRUGS WITH RESPECT TO CHILDREN'S HOS16 PITALS UNDER THE 340B DRUG DISCOUNT
17 PROGRAM.

(a) Definition of Covered Outpatient Drug.—

(1) AMENDMENT.—Subsection (e) of section 340B of the Public Health Service Act (42 U.S.C. 256b) is amended by striking "covered entities described in subparagraph (M)" and inserting "covered entities described in subparagraph (M) (other than a children's hospital described in subparagraph (M))".

- 1 (2) Effective date.—The amendment made by
- 2 paragraph (1) shall take effect as if included in the
- 3 enactment of section 2302 of the Health Care and
- 4 Education Reconciliation Act of 2010 (Public Law
- 5 111–152).
- 6 (b) Technical Amendment.—Subparagraph (B) of
- 7 section 1927(a)(5) of the Social Security Act (42 U.S.C.
- 8 1396r-8(a)(5)) is amended by striking "and a children's
- 9 hospital" and all that follows through the end of the sub-
- 10 paragraph and inserting a period.
- 11 SEC. 205. MEDICAID AND CHIP TECHNICAL CORRECTIONS.
- 12 (a) Repeal of Exclusion of Certain Individuals
- 13 AND ENTITIES FROM MEDICAID.—Section 1902(a) of the
- 14 Social Security Act (42 U.S.C. 1396a(a)) is amended by
- 15 striking paragraph (78).
- 16 (b) Income Level for Certain Children Under
- 17 Medicaid.—Section 1902(l)(2)(C) of the Social Security
- 18 Act (42 U.S.C. 1396a(l)(2)(C)) is amended by striking "133
- 19 percent" and inserting "100 percent (or, beginning Janu-
- 20 ary 1, 2014, 133 percent)".
- 21 (c) Calculation and Publication of Payment
- 22 Error Rate Measurement for Certain Years.—Sec-
- 23 tion 601(b) of the Children's Health Insurance Program Re-
- 24 authorization Act of 2009 (Public Law 111-3) is amended
- 25 by adding at the end the following: "The Secretary is not

required under this subsection to calculate or publish a na-2 tional or a State-specific error rate for fiscal year 2009 or 3 fiscal year 2010.". 4 (d) Corrections to Exceptions to Exclusion of CHILDREN OF CERTAIN EMPLOYEES.—Section 2110(b)(6) of the Social Security Act (42 U.S.C. 1397jj(b)(6)) is amended— 8 (1) in subparagraph (B)— 9 (A) by striking "PER PERSON" in the head-10 ing; and 11 (B) by striking "each employee" and insert-12 ing "employees"; and 13 (2) in subparagraph (C), by striking ", on a 14 case-by-case basis,". 15 (e) Electronic Health Records.—Effective as if 16 included in the enactment of section 4201(a)(2) of the American Recovery and Reinvestment Act of 2009 (Public Law 111-5), section 1903(t) of the Social Security Act (42) U.S.C.~1396b(t)) is amended— 20 (1) in paragraph (3)(E), by striking "reduced by 21 any payment that is made to such Medicaid provider 22 from any other source (other than under this sub-23 section or by a State or local government)" and in-24 serting "reduced by the average payment the Secretary estimates will be made to such Medicaid pro-25

1	viders (determined on a percentage or other basis for
2	such classes or types of providers as the Secretary
3	may specify) from other sources (other than under
4	this subsection, or by the Federal government or a
5	State or local government)"; and
6	(2) in paragraph (6)(B), by inserting before the
7	period the following: "and shall be determined to have
8	met such responsibility to the extent that the payment
9	to the Medicaid provider is not in excess of 85 percent
10	of the net average allowable cost".
11	(f) Corrections of Designations.—
12	(1) Section 1902 of the Social Security Act (42
13	U.S.C. 1396a) is amended—
14	(A) in subsection (a)(10), in the matter fol-
15	lowing subparagraph (G), by striking "and" be-
16	fore "(XVI) the medical" and by striking "(XVI)
17	if" and inserting "(XVII) if";
18	(B) in subsection (a)(23), by striking "(ii)"
19	and inserting "(kk)";
20	(C) in subsection (a)(77), by striking "(ii)"
21	and inserting "(kk)";
22	(D) in subsection (ii)(2), as added by sec-
23	tion 2303(a)(2) of Public Law 111–148, by strik-
24	ing "(XV)" and inserting "(XVI)"; and

1	(E) by redesignating subsection (11), as
2	added by section 6401(b)(1)(B) of Public Law
3	111–148, as subsection (kk) and transferring
4	such subsection so as to appear after subsection
5	(jj) of that section.
6	(2) Section 2107(e)(1) of the Social Security Act
7	(42 U.S.C. 1397gg(e)(1)) is amended—
8	(A) in subparagraph (D), as added by sec-
9	tion 6401(c) of Public Law 111–148, by striking
10	"(ii)" and inserting "(kk)"; and
11	(B) by redesignating the subparagraph (N)
12	of that section added by 2101(e) of Public Law
13	111–148 as subparagraph (O).
14	SEC. 206. FUNDING FOR CLAIMS REPROCESSING.
15	For purposes of carrying out the provisions of, and
16	amendments made by, this Act that relate to title XVIII
17	of the Social Security Act, and other provisions of, or relat-
18	ing to, such title that ensure appropriate payment of
19	claims, there are appropriated to the Secretary of Health
20	and Human Services for the Centers for Medicare & Med-
21	icaid Services Program Management Account, from
22	amounts in the general fund of the Treasury not otherwise
23	$appropriated,\ \$200,000,000.\ Amounts\ appropriated\ under$
24	the preceding sentence shall be in addition to any other
25	funds available for such purposes, shall remain available

1	until expended, and shall not be used to implement changes
2	to title XVIII of the Social Security Act made by Public
3	Laws 111-148 and 111-152.
4	SEC. 207. REVISION TO THE MEDICARE IMPROVEMENT
5	FUND.
6	Section $1898(b)(1)(B)$ of the Social Security Act (42)
7	U.S.C. 1395 $iii(b)(1)(B)$) is amended by striking
8	"\$550,000,000" and inserting "\$275,000,000".
9	SEC. 208. LIMITATIONS ON AGGREGATE AMOUNT RECOV-
10	ERED ON RECONCILIATION OF THE HEALTH
11	INSURANCE TAX CREDIT AND THE ADVANCE
12	OF THAT CREDIT.
13	(a) In General.—So much of section $36B(f)(2)(B)$ of
14	the Internal Revenue Code of 1986 as precedes clause (ii)
15	thereof is amended to read as follows:
16	"(B) Limitation on increase.—
17	"(i) In general.—In the case of a
18	taxpayer whose household income is less
19	than 500 percent of the poverty line for the
20	size of the family involved for the taxable
21	year, the amount of the increase under sub-
22	paragraph (A) shall in no event exceed the
23	applicable dollar amount determined in ac-
24	cordance with the following table (one-half
25	of such amount in the case of a taxpayer

1	whose	tax	is	determined	under	section	<i>1(c)</i>
2	for the	e tax	abl	e year):			

"If the household income (expressed as a percent of poverty line) is:	The applicable dollar amount is:			
Less than 200%	\$600			
At least 200% but less than 250%	\$1,000			
At least 250% but less than 300%	\$1,500			
At least 300% but less than 350%	\$2,000			
At least 350% but less than 400%	\$2,500			
At least 400% but less than 450%	\$3,000			
At least 450% but less than 500%	\$3,500".			

- 3 (b) Conforming Amendment.—Section
- 4 36B(f)(2)(B)(ii) of such Code is amended by inserting "in
- 5 the table contained" after "each of the dollar amounts".
- 6 (c) Effective Date.—The amendments made by this
- 7 section shall apply to taxable years beginning after Decem-
- 8 ber 31, 2013.
- 9 SEC. 209. DETERMINATION OF BUDGETARY EFFECTS.
- 10 (a) In General.—The budgetary effects of this Act,
- 11 for the purpose of complying with the Statutory Pay-As-
- 12 You-Go Act of 2010, shall be determined by reference to the
- 13 latest statement titled "Budgetary Effects of PAYGO Legis-
- 14 lation" for this Act, submitted for printing in the Congres-
- 15 sional Record by the Chairman of the Senate Budget Com-
- 16 mittee, provided that such statement has been submitted
- 17 prior to the vote on passage.
- 18 (b) Emergency Designation for Congressional
- 19 Enforcement.—In the House of Representatives, this Act,

- 1 with the exception of section 101, is designated as an emer-
- 2 gency for purposes of pay-as-you-go principles.

Amend the title so as to read: "An Act to extend certain expiring provisions of the Medicare and Medicaid programs, and for other purposes.".

Attest:

Secretary.

¹¹¹TH CONGRESS H.R. 4994

AMENDMENTS